Message Text

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SUBJECT: US-USSR MARINE RESOURCES INCORPORATED

REF: STATE 5762

SUMMARY: MICHAEL G. STEVENS, US MANAGER, NAKHODKA BRANCH OFFICE OF US-USSR MARINE RESOURCES CO., INC., REPORTS HE RESIDES IN ONE HOTEL AND WORKS FROM ANOTHER IN NAKHODKA AND IS UNABLE TO USE DAILY LOCAL TRAIN TO KHABAROVSK OR VISIT VLADIVOSTOK. HE SIGNED CONTRACT JANUARY 13 FOR PURCHASE OF 2,000 TONS OF ALASKA POLLOCK DESTINED FOR US MARKET. STEVENS SAID ALL FISH TAKEN BY COMPANY WILL BE FOR INTERNATIONAL, RATHER THAN SOVIET, MARKET. END SUMMARY.

1. STEVENS CALLED AT OUR REQUEST ON E/C COUNSELOR AND COMATT IN EMBASSY JANUARY 14 TO DISCUSS HIS ACCOMMODATIONS AND PRIVILEGES IN NAKHODKA, ALONG WITH BUSINESS OPERATIONS OF HIS COMPANY. STEVENS SAID HE HAD SIGNED CONTRACT PREVIOUS DAY WITH PRODINTORG FOR PURCHASE OF 2,000 TONS OF ALASKA POLLOCK. HE WILL OBSERVE SHIP LOADING AND PAPER WORK ON THIS CARGO IN NAKHODKA AND THEN OBSERVE ITS PROCESSING IN SOUTH KOREA IN ORDER TO DETERMINE HOW MUCH FINAL PRODUCT RESULTS FROM THIS VOLUME OF RAW FISH. THIS IS "TEST CASE," ALTHOUGH FISH ALREADY HAVE ASSURED PURCHASER IN U.S. MINISTRY OF FISH HAS MADE AVAILABLE TO US-USSR MARINE RESOURCES TOTAL OF 30,000 TONS OF ALASKA POLLOCK, BUT PRICE OF LIMITED OFFICIAL USE

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REMAINING 28,000 TONS MUST BE NEGOTIATED WITH PRODINTORG. (STEVENS ADVISED THAT PRODINTORG REPRESENTATIVES IN NAKHODKA ARE NOT AUTHORIZED TO SIGN CONTRACTS, WHICH MUST THEREFORE BE DONE IN MOSCOW OR NEW YORK.) STEVENS SAID THERE WOULD BE GENERAL MEETING OF HIS COMPANY IN MOSCOW NEXT MONTH WHERE RAW DATA OF TEST CASE WOULD BE EVALUATED FOR PRICING DECISION.

- 2. ACCORDING TO STEVENS, FISH (HAKE AND ALASKA POLLOCK) SOLD TO MARINE RESOURCES COMPANY WILL BE FOR THE INTERNATIONAL MARKET, NOT THE SOVIET DOMESTIC. THERE ARE NO PLANS FOR SALES OF FISH IN THIS COUNTRY.
- 3. CONCERNING LIVING/WORKING CONDITIONS IN NAKHODKA, STEVENS SAID HE IS LIVING IN COMFORTABLE ROOM IN HOTEL GORIZONT. HE HAS SEEN APARTMENT, WHICH WAS TO HAVE BEEN MADE AVAILABLE TO HIM ON JANUARY 1, BUT OLD TIMERS IN NAKHODKA SCOFF AT HIS CONFIDENCE THAT IT WILL SOON BE READY FOR HIS OCCUPANCY. HE WORKS IN HOTEL OWNED BY THE ACTIVE MARITIME FISHING BASE (BAMR), AND HIS SOVIET COLLEAGUE IN NAKHODKA, GENADY IVANOVICH KALUZHNY, WAS A FORMER FIRST DEPUTY DIRECTOR OF BAMR IN NAKHODKA. HE DESCRIBED KALUZHNY AS A YOUNG-LOOKING INDIVIDUAL OF 47 YEARS, WITH WHOM HE WORKS WELL. BOTH HE AND KALUZHNY ARE SUBORDINATE TO THE BELLINGHAM US AND SOVIET MANAGERS, WALLY PEREYRA AND VALERIY LATISHEV. ASIDE FROMM A FEW JAPANESE, THERE ARE NO FOREIGNERS IN NAKHODKA, BUT HE DOES HAVE SOCIAL CONTACTS WITH LOCAL SOVIET POPULATION.
- 4. STEVENS MENTIONED SEVERE TRAVEL RESTRICTIONS. HE IS AUTHORIZED TO TRAVEL BY KHABAROVSK (AND HENCE REST OF USSR) ONLY BY YOKOHAMA BOAT TRAIN, WHICH CALLS ONLY THREE OR FOUR TIMES MONTHLY, RATHER THAN BY DAILY LOCAL TRAIN. THIS IS SUBSTANTIAL INCONVENIENCE AND LIMITS HIS ACCESS TO AREA BEYOND KHABAROVSK. HE CONFIRMED HAVING MULTIPLE ENTRY AND EXIT VISA VALID UNTIL END OF 1979 AND SAID HE PLANS TO VISIT TOKYO (OR MOSCOW) MONTHLY. HE CANNOT VISIT LIMITED OFFICIAL USE

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VLADIVOSTOK OR USE ITS AIRPORT, ALTHOUGH MOST OF FISHING COMPANIES WITH WHOM HE DEALS ARE SITED THERE. STEVENS BELIEVES HIS SOVIET COUNTERPART IN BELLINGHAM IS TRAVELING AT WILL AND THAT HE RECENTLY ATTENDED A PACIFIC FISHERIES MANAGEMENT COUNCIL MEETING IN SAN DIEGO, WHICH STEVENS ASSUMED TO BE A CLOSED CITY TO SOVIETS. STEVENS IS PERMITTED TO VISIT NEARBY PORT OF VOSTOCHNY. WITH TWO DAYS NOTICE HE IS PERMITTED TO GO A DISTANCE OF SIXTY OR SEVENTY KILOMETERS.

- 5. WE INFORMED STEVENS OF OUR INTENTION TO MAKE AN EARLY VISIT TO NAKHODKA TO OBSERVE HIS FACILITIES AND OPERATIONS. HE SUGGESTED THAT THIS BE ARRANGED FOLLOWING MEETING OF MARINE RESOURCES COMPANY IN MOSCOW IN FEBRUARY.
- 6. COMMENT: THERE ARE A NUMBER OF OBVIOUD IMBALANCES IN THE MARINE RESOURCES COMPANY OPERATIONS. FROM COMMERICAL ASPECT, FACT THAT NONE OF FISH WILL BE SOLD ON SOVIET MARKET INDICATES THAT NAKHODKA BRANCH OFFICE IS MERELY DESIGNED TO FACILITATE MAIN INTERNATIONAL OPERATIONS AND NOT TO DEVELOP MARKET HERE. STEVENS' HOUSING SITUATION WILL BEAR WATCHING. HIS EXCLUSION FROM DAILY TRAIN TO KHABAROVSK (OF COURSE, HE CANNOT FLY OVER THIS AREA) IS A SEVERE LIMITATION ON HIS FREEDOM TO TRAVEL TO

MOSCOW (HE HAD TO EXPEDITE HIS RETURN TO NAKHODKA LAST WEEK BECAUSE OF A CHANGE IN THE BOAT-TRAIN SCHEDULE), AND HIS RADIUS AND HOURS OF PERMISSIBLE TRAVEL IN NAKHODKA WILL HAVE TO BE MEASURED AGAINST THOSE GRANTED LATISHEV. WE WOULD BE INTERESTED IN HEARING IF LATISHEV DID VISIT SAN DIEGO AND IF PERMISSION WAS GRANTED FOR SUCH A TRIP.

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